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TAGS: [PGOV](#) [PINR](#) [PREL](#) [UP](#)  
SUBJECT: UKRAINE: REGIONS PROPOSES PACKAGE TO UNBLOCK RADA,  
BALOHA QUIT'S PEOPLE'S UNION OUR UKRAINE

REF: KYIV 359

Classified By: Political Counselor Kent Logsdon for reasons 1.4, b,d.

¶1. (C) Summary and Comment: The Rada failed to open as scheduled on February 21 with Regions continuing to blockade the rostrum. However, opposition leader Yanukovych proposed an end to the blockade in exchange for positive Rada consideration of ten legislative initiatives. A parliamentary roundtable is scheduled for February 25 to discuss the proposal; it is possible that the Rada could resume work on February 26. Meanwhile, strains continue to appear within the orange coalition with the February 19 resignations from the main constituent party of the OU-PSD bloc, People's Union Our Ukraine (PUOU), of Presidential Chief of Staff Baloha, deputy chief of staff Bezsmertniy, and five OU-PSD Rada deputies. These resignations do not change the balance of power in the Rada or threaten the coalition (only resignations of OU-PSD or BYuT deputies from the faction would do that), and President Yushchenko vowed publicly that the coalition was viable and working, but all are watching to see what will happen within the orange team next. End Summary and Comment.

Rada Blockade Continues; Regions Offers a Way Out  
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¶2. (C) Rada Speaker Yatsenyuk's February 21 meeting with Regions faction leader Yanukovych resulted in a proposed way ahead with a Regions-suggested end to the blockade of the Rada's work in exchange for coalition support for a package of Regions-supported legislation. During the meeting, which was broadcast by the parliament's TV channel, Yanukovych put forward ten explicit legislative initiatives (list at para 4) for consideration. (Comment: Yanukovych never made an explicit quid-pro-quo proposal on unblocking the Rada, leaving uncertainty on whether the ten initiatives are considered a take-it-or-leave-it package. Regions is likely to gauge the possibilities for success before deciding whether this is a package deal or a negotiations starting point. End Comment.) Yatsenyuk told the press that he intends to meet with the Lytvyn bloc and Communist party on February 21 and with the governing coalition on February 22 to discuss the Regions' proposal. The proposal will then be discussed at a February 25 parliamentary round-table, which, if a consensus is reached, could allow the Rada to resume its legislative work on February 26.

¶3. (SBU) Reaction to Regions' proposal from the coalition was not positive. OU-PSD Rada deputy Yaroslav Kendzyor and his BYuT colleague Volodymyr Yavorivskiy both said that today's developments should not be viewed with "any degree of optimism." Kendzyor noted that although Regions leadership was trying to demonstrate in public their willingness to take conciliatory steps, "behind the scenes they are still doing all they can to break apart the coalition. It is another

delaying tactic, otherwise they would have agreed to unblock the Rada earlier." (Embassy Note. The Rada last met February 13 and if it does not meet within 30 days, by our count, approximately March 14, then the President will theoretically have the ability to dissolve the Rada and call new elections. However, a separate constitutional provision notes that the President does not have the right to call a new election within one year of previously-held pre-term elections, so no new elections earlier than October 1, 2008. It is unclear as to which provision would take precedence. End Note.)

14. (SBU) Below is the full list of legislative initiatives proposed by Regions (full texts not yet available):

- Resolution on Procedure for Examining NATO-Related decisions: (Note: the resolution draft text says that Ukraine's decision on joining NATO (no reference to MAP) should only be taken after a national referendum.
- Amendments to the Law on Status of Some State Officials: pertains to immunity of officials.
- Amendments to the Law on Status of National Deputies: pertains to immunity of Rada members. Former Justice Minister Lavynovych (PoR) noted during the meeting with Yatsenyuk that the bills would allow the arrest of the President and MPs only after a court verdict was reached. The current coalition draft would allow for arrest before trial.
- Package of five social bills, including minimum subsistence level, "social dialogue", and Labor Code.
- Bill to protect Russian speakers in Ukraine (protest against obligatory Ukrainian dubbing of all foreign movies).
- Bill to invalidate the State Procurement Law.
- Resolution on termination of powers of Rada members
- Amendments to the Rada Rules of Procedure pertaining to the rights of the opposition
- Amendments to the law on Civil Service (stop politically motivated dismissal of state officials
- Information on political repression

Baloha and five MPs quit People's Union Our Ukraine

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15. (SBU) Presidential Secretariat Head Viktor Baloha's February 15 announcement that he was resigning from the core party within the Our Ukraine bloc (PUOU - People's Union Our Ukraine) did not surprise many in Kyiv since Baloha had only joined the party in late 2006 when President Yushchenko had asked him to come in and take over the leadership of the party temporarily. Baloha had never gotten along with the party leadership and had disagreed with them, often publicly, on numerous issues. Baloha's written statement that accompanied his resignation starts off saying nice things about the party, but then says it doesn't really hold any future for him. The statement went on to say that Baloha had his own political ambitions, which he believes will all be fulfilled, but that he will remain at the Secretariat and by President Yushchenko's side for a long time.

16. (C) The February 19 official announcement of Baloha's resignation from PUOU was more surprising because six others resigned with him including Presidential Secretariat Deputy Head Roman Bezsmertniy, a long-time political advisor of Yushchenko and head of the unsuccessful 2006 Our Ukraine parliamentary campaign, and five OU-PSD deputies (all PUOU members) Viktor Topolov, Ihor Kril, Vasyl Petyovka, Oksana Bilozir, and Mykhailo Polyanych. Their joint statement noted "serious and irreversible negative tendencies" in the

party. The resignation also stated that, "We no longer believe that our party leaders remain loyal to the President. We have nothing to do in the company of those who have changed their political preferences." When we asked Bezsmertniy's long-time aide about the resignation, she told us "don't worry about it. It means nothing." President Yushchenko, while on an official visit to Paris, underlined to the press on February 20 that the resignations would not affect the viability of the governing orange coalition, a position seconded by OU-PSD deputy Oleksandr Chornovolenko (Rukh) who noted that "the coalition is formed of factions, and not individual deputies."

¶17. (C) Comment. The resignations are from the PUOU party only and all five deputies remain members of the broader OU-PSD parliamentary faction. According to Rada rules, deputies must give up their seats only if they formally resign from the faction. Therefore, the coalition remains in place and the government is not a minority government. Of the five deputies who resigned, Topolov, Kril and Petyovka are all close associates of Baloha and were the same OU-PSD deputies who delayed signing the coalition agreement during the weeks leading to the formation of the orange coalition. The main surprise was the resignation of Bilozir, a former signer and someone long considered to be an OU stalwart and close ally of the President. In her statement explaining her resignation, Bilozir said that she was drawing attention to the crisis in the party's internal situation, noting that politicians don't want to take responsibility for "the decisions made behind closed doors by a small group of people, without taking into account MP's views and views of ordinary party members."

¶18. (C) Comment continued. Baloha had earlier announced his intention to form a new centrist party called "Great Ukraine," leading analysts to speculate that his goal was to "hollow out" OU-PSD following the failure of Yushchenko to have all the constituent parties within the bloc consolidate into a single party. The new Great Ukraine party could now provide Yushchenko with an alternative platform from which to launch his reelection campaign -- or could simply be a party intended to promote Baloha's own personal ambitions. Whatever the goal, the resignations and announcement of a new political movement intended to draw from within the orange team for its own support adds to the strains already evident within the coalition. End comment

¶19. (U) Visit Embassy Kyiv's classified website: [www.state.sgov.gov/p/eur/kiev](http://www.state.sgov.gov/p/eur/kiev).

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